

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8  
999 18<sup>TH</sup> STREET- SUITE 300  
DENVER, CO 80202-2466  
Phone 800-227-8917  
<http://www.epa.gov/region08>

**DOCKET NO.: CWA-08-2006-0045**

IN THE MATTER OF: )  
 )  
**PIONEER NATURAL RESOURCES USA, INC. ) FINAL ORDER**  
 )  
 )  
RESPONDENT )

Pursuant to 40 C.F.R. §22.18, of EPA's Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order. The Respondent is hereby **ORDERED** to comply with all of the terms of the Consent Agreement, effective immediately upon receipt by Respondent of this Consent Agreement and Final Order.

09.25.06  
DATE

**SIGNED**  
Elyana R. Sutin  
Regional Judicial Officer

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

In the Matter of:	)	
	)	
<b>Pioneer Natural Resources USA, Inc.</b>	)	<b>EXPEDITED CONSENT</b>
	)	<b>AGREEMENT</b>
	)	
Respondent.	)	<b>DOCKET NO.: CWA-08-2006-0045</b>

Complainant, United States Environmental Protection Agency, Region VIII, and Respondent, Pioneer Natural Resources USA, Inc., by their undersigned representatives, hereby settle the civil cause of action arising out of a spill of oil that occurred on or about April 8, 2004, and agree as follows:

The Clean Water Act (the Act), as amended, authorizes the Administrator of EPA to assess administrative penalties against any person who discharges oil into or upon the navigable waters and adjoining shorelines of the United States in quantities that have been determined may be harmful to the public health or welfare or environment of the United States, 33 U.S.C. § 1321(b)(6) and (b)(3) or any person who violates the oil pollution prevention (SPCC) regulations, promulgated at 40 CFR Part 112 under Section 311(j) of the Clean Water Act, 33 U.S.C. § 1321(j). This determination includes discharges of oil that (1) violate applicable water quality standards, (2) cause a film, sheen, or discoloration of the surface of the water or the adjoining shoreline, or (3) cause a sludge or emulsion to be deposited beneath the surface of the water or the adjoining shoreline, 40 C.F.R. § 110.3. This authority has been properly delegated to the undersigned EPA official.

Respondent's predecessor, Evergreen Operating Corporation owned and/or operated a crude oil production facility located on the Yellow Jacket Ranch, Rio Blanco County, Colorado.

Respondent admits that on or about April 8, 2004, its Yellow Jacket Ranch facility discharged approximately 47 barrels (1,974 gallons) of crude oil into or upon an unnamed stream, and/or its adjoining shoreline. The unnamed stream is a tributary to Milk Creek, a perennial stream, which flows to the Yampa River, a navigable in fact water.

Respondent's discharge from its facility caused a sheen upon the surface of waters of the unnamed stream.

Respondent's discharge constitutes a violation of Section 311 (b)(3) of the Act.

Respondent admits that EPA has jurisdiction in this proceeding.

Respondent waives their right to a hearing before any civil tribunal, to contest any issue of law or fact set forth in this agreement.

This agreement, upon incorporation into a final order, applies to and is binding upon EPA and upon Respondent and Respondent's heirs, successors and assigns. Any change in ownership or corporate status of Respondent, including but not limited to any transfer of assets or real or personal property, shall not alter Respondent's responsibilities under this agreement.

This Agreement contains all terms of the settlement agreed to by the parties.

A signed copy of this agreement shall be sent to:

Jane Nakad  
Technical Enforcement Program (8ENF-UFO)  
U.S. EPA Region 8  
999 18th Street, Suite 300  
Denver, CO 80202-2466

Respondent consents and agrees to the assessment of a civil penalty of \$4,000.00, for the discharge of oil in violation of Section 311(b)(3) of the Act, which, shall be paid no later than 30 days after the effective date of the Final Order by means of a cashier's or certified check, or by electronic funds transfer (EFT). If paying by check, the Respondent shall submit a cashier's or

certified check, payable to “Environmental Protection Agency,” and bearing the notations “OSLTF – 311” and the title and docket number of this case. If the Respondent sends payment by the U.S. Postal Service, the payment shall be addressed to:

U.S. Environmental Protection Agency  
P.O. Box 371099M  
Pittsburgh, PA 15251

If the Respondent sends payment by a private delivery service, the payment shall be addressed to:

Mellon Client Service Center  
ATTN: Shift Supervisor  
Lockbox 371099M Account 9109125  
500 Ross Street  
Pittsburgh, PA 15262-0001

If paying by EFT, the Respondent shall transfer \$4,000.00 to:

Mellon Bank  
ABA 043000261  
Account 9109125  
22 Morrow Drive  
Pittsburgh, PA 15235

In the case of an international transfer of funds, the Respondent shall use SWIFT address MELNUS3P.

The Respondent shall submit copies of the check (or, in the case of an EFT transfer, copies of the EFT confirmation) to the following persons:

**Tina Artemis, Regional Hearing Clerk (8RC)**  
**U.S. EPA Region 8**  
**999 18th Street, Suite 300**  
**Denver, CO 80202-2466**

and

**Jane Nakad**  
**Technical Enforcement Program (8ENF-UFO)**  
**U.S. EPA Region 8**  
**999 18th Street, Suite 300**  
**Denver, CO 80202-2466**

Respondent states, under penalty of perjury, that it has (1) investigated the cause of the spill, (2) cleaned up the spill pursuant to federal requirements, and (3) taken corrective actions to prevent future spills. Respondent's cost of corrective actions and measures to achieve compliance to date has been \$ **\$536,878.66**.

Respondent further agrees and consents that if Respondent fails to pay the penalty amount as required by this agreement once incorporated into the final order, or fails to make the corrective measures to obtain compliance or has not cleaned up the discharged oil as represented, this agreement is null and void, and EPA may pursue any applicable enforcement options.

The undersigned representative of Respondent certifies that he/she is fully authorized to enter into the terms and conditions for this agreement and to bind Respondent to the terms and conditions of this agreement.

The parties agree to submit this Consent Agreement to the Regional Judicial Officer, with a request that it be incorporated into a final consent order.

Each party shall bear its own costs and attorneys fees in connection with this matter.

This Consent Agreement, upon incorporation into a final consent order by the Regional Judicial Officer and full satisfaction by the parties, shall be a complete and full civil settlement of the specific violations described in this agreement.

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, REGION 8,  
Office of Enforcement Compliance and Environmental Justice, Complainant.**

By: **Timothy Osag for/**  
Elisabeth Evans, Director  
Technical Enforcement Program  
Office of Enforcement, Compliance and  
Environmental Justice

Date: **9/21/06**

**Pioneer Natural Resources USA, Inc., Respondent.**

By: **SIGNED**

Date: **9/21/06**

Name: **Jay P. Still**

Title: **EVP**

## CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **EXPEDITED CONSENT AGREEMENT/FINAL ORDER** in the matter **PIONEER NATURAL RESOURCES USA, INC.; DOCKET NO.: CWA-08-2006-0045** was filed with the Regional Hearing Clerk on September 26, 2006.

Further, the undersigned certifies that a true and correct copy of the document was delivered to David Janik, Enforcement Attorney, U. S. EPA – Region 8, 999 18<sup>th</sup> Street, Suite 300, Denver, CO 80202-2466. True and correct copies of the aforementioned document was placed in the United States mail certified/return receipt requested on September 26, 2006, to:

Mr. Ron Schindler, Associate General Counsel  
Pioneer Natural Resources, Inc.  
1401 17<sup>th</sup> Street, Suite 1200  
Denver, CO 80202

Regular Mail to:

U. S. Coast Guard  
Commander  
Finance Center (OGR)  
U. S. Coast Guard  
1430 A Kristina Way  
Chesapeake, VA 23326

Telefaxed to:

U. S. Environmental Protection Agency  
Cincinnati Finance Center  
26 W. Martin Luther King Drive (MS-0002)  
Cincinnati, Ohio 45268  
513-487-2063

September 26, 2006

**SIGNED** \_\_\_\_\_

Tina Artemis  
Regional Hearing Clerk

**THIS DOCUMENT WAS FILED IN THE REGIONAL HEARING CLERK'S OFFICE  
ON SEPTEMBER 26, 2006**



*Printed on Recycled Paper*